



Iowa Department of Transportation

Federal Transportation Briefing

A Periodic Report on Federal Transportation Activities

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The Senate and House are in recess until Nov. 15.

Annual Transportation Appropriations

FY 2011 – On July 29, the House passed its Transportation-HUD appropriations proposal, HR 5850, providing \$45.2 billion in highway obligation authority, \$3.515 billion in Airport Improvement Project funding, \$1.4 billion for High Speed Intercity Passenger Rail, and \$400 million for TIGER multi-modal grants. The Senate appropriations committee approved S 3644 on July 22, providing \$41.8 billion in highway obligation authority, \$3.515 in AIP funding, \$1 billion for HSIPR, and \$800 million for TIGER multi-modal grants. The president signed a Continuing Resolution on Sept. 30, 2010, to keep transportation and other federal programs funded at FY 2010 levels until Dec. 3, 2010.

Aviation Reauthorization

The multi-year aviation authorization bill, known as Vision 100 (PL 108 -176), expired on October 1, 2007, and programs have been continuing under a series of authorization extensions. Multi-year authorization bills have been passed by the Senate on March 22 and by the House on March 25 as separate amendments to HR 1586. A conference committee will resolve the differences between the two proposals. In the meantime, aviation programs received yet another short-term extension. On September 30, 2010, the president signed another extension, until Dec. 31, 2010, since several issues remain to be resolved.

Surface Transportation Reauthorization

The multi-year surface transportation authorization act, known as SAFETEA-LU, expired on October 1, 2009. The federal-aid programs, including highway, transit,

highway safety, and motor carrier programs are continued through a series of extensions.

The current extension was included in HIRE, which was signed on March 18, 2010 (PL 111-147) and continues programs through December 31, 2010. In addition to program extensions, the act did away with the \$8 billion contract authority rescission enacted in SAFETEA-LU, and also transferred \$19.5 billion from the General Fund to the Highway Trust Fund to keep that fund solvent. While the formula programs have been extended, the earmarked projects in SAFETEA-LU have not been extended. The funding which would have been earmarked was redistributed among the core programs. Two of the SAFETEA-LU earmarked programs were controversial because 58 percent of the funding was provided to four states and 21 states received none of the funding. Language providing a “fix” for that situation was included in a recent tax extender bill, HR 4213. The bill was passed by the House, but defeated on a cloture vote in the Senate June 24. In June 2009, Congressman Oberstar unveiled a draft reauthorization bill known as the Surface Transportation Authorization Act (STAA). The 5-year proposal would increase funding from the Highway Trust Fund by 57 percent over SAFETEA-LU levels, with most of the increase going to safety and transit. The proposal emphasizes intermodal projects, livability projects, and transit in large areas. Oberstar included performance targets and investment plans for nearly every program, along with stepped-up bridge inspection requirements. Due largely to the question of how to fund it, STAA has remained a discussion draft only.

However, several bills have been introduced as potential additions to reauthorization language. One example is S. 3485, introduced June 15, 2010, which would provide surface transportation funds to rural states specifically, in order to provide balance to the large urban area focus of the discussion draft. On September 6, President Obama announced the outlines of a six-year transportation infrastructure plan, including an up-front investment of \$50 billion for roads, rail and airports. The funding source mentioned in the announcement was for establishment of an Infrastructure Bank to leverage federal dollars and focus on investments of national and regional significance. The concept of an infrastructure bank has been emphasized by the administration in recent congressional hearings.

The administration says the plan would put high-speed rail on an equal footing within surface transportation programs, streamline and prioritize transportation investments, and use performance measures and competition to improve outcomes. It would also expand investments in areas such as safety, economic competitiveness, livability and environmental sustainability. No language has been introduced, and Congress would have to approve the initial \$50 billion in funding.

Climate Change Legislation

The Kerry-Lieberman bill, released as a discussion draft on May 12, is now seen as unlikely to pass in its current form. Many other energy/climate-related proposals are being discussed, although currently none of these alternative proposals include a carbon fee or funding for the Highway Trust Fund. The most recent proposal is by Senator Reid (S.3663). His bill addresses the oil spill and other issues and provides incentives to encourage communities and consumers to move toward alternative fuel vehicles. It is possible that the Senate will take this up in an anticipated lame duck session.

Tiger II

On May 28, Transportation Secretary Ray LaHood announced the availability of \$600 million in TIGER II grants for capital investment in surface transportation projects. TIGER II grants will be awarded on a competitive basis to projects that have a significant impact on the nation, a region or metropolitan area and can create jobs. Primary selection criteria include contributing to the long-term economic competitiveness of the nation, improving the condition of existing transportation facilities and systems, improving energy efficiency and reducing greenhouse gas emissions, improving the safety of U.S. transportation facilities and improving the quality of living and working environments of communities through increased transportation choices and connections. The USDOT will also give priority to projects that are expected to quickly create and preserve jobs and stimulate rapid increases in economic activity. The DOT has submitted applications for five projects. Awards may be made no sooner than Sept. 15, 2010. Funds will be available for obligation through Sept. 30, 2012.

High Speed Intercity Passenger Rail competitive grant application

Applications for U.S. DOT Federal Railroad Administration (FRA) High Speed Intercity Passenger Rail projects were due August 6. This program is collaborative

effort among the federal government, states, railroads, and other key stakeholders to help create a national network of high-speed rail corridors. A joint application was submitted by the Iowa DOT and Illinois DOT seeking \$248 million to implement new passenger rail service from Chicago to Iowa City via the Quad Cities. The amount available nationally is \$2.1 billion for this round of grant applications. FRA is expected to announce award decisions soon.

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